

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re : Chapter 11  
24 HOUR FITNESS : Case No. 20-11558 (KBO)  
WORLDWIDE, INC., *et al.*, :  
Debtors.<sup>1</sup> : (Jointly Administered)  
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**THE AVG ENTITIES' NOTICE OF AND DEMAND FOR  
ADEQUATE PROTECTION FOR INTERESTS IN  
REAL PROPERTY PURSUANT TO 11 U.S.C. SECTION 363(e)**

**PLEASE TAKE NOTICE** that on June 15, 2020, 24 Hour Fitness Worldwide, Inc. and certain of its affiliates<sup>1</sup> (collectively, the “Debtors”) filed voluntary chapter 11 petitions in this Court, commencing these jointly administered bankruptcy cases (collectively, the “Bankruptcy Cases”).

**PLEASE TAKE FURTHER NOTICE** that the following entities are creditors and parties-in-interest in the Bankruptcy Cases:

AVG Partners GP  
AVG Partners I, LLC  
AVG Austin, LP  
AVG Laguna, LLC  
AVG Oakland, LLC  
AVG Cypress, LLC  
SW3LH, LLC  
Builder's Associates #3  
Builder's Associates #3, LLC  
Peak Holdings, LLC  
AG Upland, LLC

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are 24 Hour Holdings II LLC (N/A); 24 Hour Fitness Worldwide, Inc. (5690); 24 Hour Fitness United States, Inc. (8376); 24 Hour Fitness USA, Inc. (9899); 24 Hour Fitness Holdings LLC (8902); 24 San Francisco LLC (3542); 24 New York LLC (7033); 24 Denver LLC (6644); RS FIT Holdings LLC (3064); RS FIT CA LLC (7007); and RS FIT NW LLC (9372). The Debtors' corporate headquarters and service address is 12647 Alcosta Blvd., Suite 500, San Ramon, CA 94583.

(collectively, the “AVG Entities”). The AVG Entities are the owners of certain non-residential real property that is leased to certain of the Debtors pursuant to lease agreements between such debtors and the AVG Entities (the “Leases”)<sup>2</sup>. These properties have been and are currently being used in the normal and daily course of the operation of the health clubs the Debtors operate and which form the backbone of their business. As more specifically set forth in the Leases, the non-residential real properties that are the subject of this Notice are located in Santa Clarita, CA, Thousand Oaks, CA, Dallas, TX, Oceanside, CA, Austin, TX, Laguna Niguel, CA, Oakland, CA, Cypress, CA, Houston, TX, Rockwall, TX, Fountain Valley, CA, Lake Forest, CA, Upland, CA (collectively, the “Real Property”).

**PLEASE TAKE FURTHER NOTICE** that the AVG Entities have existing and continuing interests in the Real Property, each of which has been leased to and continuously occupied by the Debtors since the various lease agreements were first executed.

**PLEASE TAKE FURTHER NOTICE** that, on the Filing Date, the Debtors filed that certain *Motion for Entry of an Order (i) Extending Time for Performance of Obligations Arising Under Unexpired Non-residential Real Property Lease and (ii) Granting Related Relief* [D.I. 132] (the “Rent Deferral Motion”). In the Rent Deferral Motion, the Debtors have requested, among other things, authority to defer or suspend the payment of their lease payment obligations to the AVG Entities (and others similarly situated) incurred after the Filing Date for a minimum period of sixty (60) days (through and including August 14, 2020). Furthermore, the Debtors have reserved the right to request additional extensions of the rent deferral period in the future. The Debtors have also proposed, in their DIP financing motion, to provide or use the Real Property as additional collateral for a proposed extension of credit to be provided by their DIP Lenders. *See* D.I. 17.

**PLEASE TAKE FURTHER NOTICE** that the Debtors have failed to offer or provide the AVG Entities with any form of adequate protection in order to protect the AVG Entities’ interests in the Real Property during the pendency of these Bankruptcy Cases.

**PLEASE TAKE FURTHER NOTICE**, pursuant to 11 U.S.C. section 363(e), the AVG Entities file this Notice to evidence their formal request for adequate protection of their interests in the Real Property and respectfully request that, unless and until adequate protection sufficient to protect the interests of the AVG Entities is provided, the Court should condition or prohibit the Debtors’ further or additional use of the Real Property.

Dated: June 22, 2020

**BLANK ROME LLP**

/s/ Victoria A. Guilfoyle

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